
OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES

**Notice of Changes in Methods and Standards for Medicaid
Payments for Primary Care Physician Services**

In accordance with public notice requirements of 42 CFR 447.205, the Indiana Family and Social Services Administration (FSSA), Office of Medicaid Policy and Planning (OMPP) publishes this notice of proposed changes to the Medicaid reimbursement methodology for primary care services provided by certain enrolled physicians and advance practice clinicians.

The OMPP proposes to change the payment methodology for primary care services provided by certain enrolled physicians and advance practice clinicians. Primary care services are defined as those services billed under Healthcare Common Procedure Coding System (HCPCS) Evaluation and Management (E & M) codes 99201 through 99499 and vaccine administration codes 90460, 90461, 90471, 90472, 90473, and 90474 or their successors. For covered E & M services and non-Vaccine for Children (VFC) vaccine administration, reimbursement will be made at the lesser of billed charges or the Medicare physician fee schedule rates in effect in calendar years (CY) 2013 and 2014 (or, if greater, the payment rates that would be applicable in those calendar years using the CY 2009 Medicare physician fee schedule conversion factor). For VFC vaccine administration services, reimbursement will be the lesser of the state regional maximum administration fee set by the VFC program or the Medicare physician fee schedule rates in effect in CYs 2013 and 2014 (or, if greater, the payment rates that would be applicable in those calendar years using the CY 2009 Medicare physician fee schedule conversion factor). For services that do not have a Medicare physician fee schedule rate, a fee schedule rate will be developed by the Centers for Medicare and Medicaid Services (CMS).

These reimbursement changes apply to primary care services furnished by a physician with a specialty designation of family medicine, general internal medicine, or pediatric medicine and any subspecialists within these three specialty designations. Physicians within the identified specialty or subspecialty designations who are board certified by the American Board of Medical Specialties, the American Osteopathic Association, and the American Board of Physician Specialties are eligible. Physicians within the identified specialty or subspecialty designations who are not board certified may be eligible if 60% or more of their Medicaid services are for the specified E & M or vaccine administration, or both, codes. The reimbursement changes also apply to advance practice clinicians, such as nurse practitioners, nurse midwives, and physician assistants, that render services under the supervision of an eligible physician and whose services are billed under the provider number of the supervising physician. These reimbursement changes apply only to those services reimbursed under the Medicaid state plan as physician services and do not apply to services reimbursed under any other benefit, such as services reimbursed under the prospective payment system for Federally-Qualified Health Centers or Rural Health Clinics. These reimbursement changes are effective for services provided on or after January 1, 2013, through December 31, 2014. Effective for services provided on or after January 1, 2015, Medicaid payment rates will revert to the Medicaid payment rates in effect on December 31, 2012.

These changes are necessary to comply with the statutory provisions of the Affordable Care Act of 2010 and the requirements of CMS final rule CMS-2370-F. These changes will be implemented following approval by CMS of an amendment to the Medicaid state plan. It is estimated that the fiscal impact of this change will be additional federal expenditures for the fee-for-service and managed care programs of approximately \$98.6 million for CY 2013 and \$100.2 million for CY 2014. There is no impact on state expenditures for these reimbursement changes because 100% federal financial participation (FFP) is available for the increase in reimbursement between the Medicaid state plan rate and the Medicare fee schedule rate. The fiscal impact estimate does not reflect the impact on vaccine administration services. Prior to this proposed change in reimbursement, vaccine administration services were not billed using vaccine-specific administration codes, and these services could not be separately identified. Therefore, there is no historical claims data from which to derive a fiscal impact estimate for these services.

A copy of this notice is now on file at the Indiana Government Center South, 402 West Washington Street, Room W451, Indianapolis, Indiana and open for public inspection. Also, a copy of this notice is now available and may be inspected by contacting the local county Division of Family Resources office, except in Marion County, where public inspection may be made at 402 West Washington Street, Room W374, Indianapolis, Indiana.

Anyone who wishes to comment on the proposed changes may submit written comments to: FSSA, Office of Medicaid Policy and Planning, Attention: Penny Lewis, 402 West Washington Street, Room W374, MS-07, Indianapolis, IN 46204. Correspondence should be identified in the following manner: COMMENT RE: PRIMARY CARE PHYSICIAN PAYMENT INCREASES. Written comments received will be made available for public display

at the address herein of the OMPP.

Michael A. Gargano
Secretary
Family and Social Services Administration

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